



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 JAN 15 P 3:13

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA TELEPHONE COMPANY, AN
ARIZONA CORPORATION, FOR A HEARING
TO DETERMINE THE EARNINGS OF THE
COMPANY, THE FAIR VALUE OF THE
COMPANY FOR RATEMAKING PURPOSES,
AND TO INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE RATE
IMPACTS OF THE FCC'S USF/ICC
TRANSFORMATION ORDER.

DOCKET NO. T-02063A-13-0411

Arizona Corporation Commission

DOCKETED

JAN 15 2014

DOCKETED BY

PROCEDURAL ORDER

BY THE COMMISSION:

On November 27, 2013, Arizona Telephone Company ("AZ Telephone") filed with the Arizona Corporation Commission ("Commission") pursuant to A.R.S. §40-250 and Arizona Administrative Code ("A.A.C.") R14-2-103 for a determination of its earnings and the fair value of its investment ("Rate Application"). AZ Telephone requested that its residential rates be increased as necessary to compensate for the rate impacts of the Federal Communication Commission's ("FCC") November 18, 2011, USF/ICC Transformation Order ("USF/ICC Order"). AZ Telephone states that because it is located in a low density area, it depends on federal high-cost loop support mechanisms, and that to retain federal support, it must increase local area rates to the annual floor as determined by the FCC. At the time of filing the Rate Application, AZ Telephone did not know what the 2014 floor would be, and expected the rate to be announced in early 2014, to be effective June 1, 2014. Because of the short period of time to adjust AZ Telephone's rates to avoid the loss of federal support which AZ Telephone alleged would be detrimental to ratepayers, AZ Telephone requested that the Commission approve a local residential rate increase of up to \$19.00. AZ Telephone did not file all of the schedules required for a typical rate case under A.C.C. R14-2-103, and requested a waiver of any provisions of this rule not required by the Arizona Constitution and laws.

1 On December 16, 2013, AZ Telephone filed a Time Clock Waiver in order to allow for
2 additional time to determine the best way to process the application.

3 In a Special Open Meeting on January 14, 2014, the Commission agreed to adopt the proposal
4 by the Commission's Utilities Division ("Staff") that would not require the applicant to file all of the
5 schedules normally required under A.A.C. R14-2-103 for rate applications because of the short time
6 frame when new rates must be in effect. The Commission had utilized a similar procedure after the
7 USF/ICC Order was first issued and required the first increase in local area rates.

8 Given the short time frame for processing the Rate Application, it is necessary to establish an
9 expedited process for this matter.

10 IT IS THEREFORE ORDERED that a **Telephonic Procedural Conference** for the purpose
11 of setting the matter for hearing and establishing the procedures, including notice, that will govern
12 this proceeding shall commence on **January 22, 2014, at 10:00 a.m.**, or as soon thereafter as
13 practical at the Commission's Tucson offices, **Room 222, 400 W. Congress, Tucson, AZ 85750**. To
14 participate, interested parties may utilize the following bridge line: **1-888-450-5996, Code 457395**.

15 IT IS FURTHER ORDERED that in the interest of judicial efficiency and economy, the
16 Procedural Conference in this matter will be held concurrently with Procedural Conferences being set
17 for similar requests made by Southwestern Telephone Company (Docket T-01072A-13-0412), Table
18 Top Telephone Company, Inc. (Docket No. T-02724A-13-0416), South Central Utah Telephone
19 Association, Inc. (T-01923A-13-0428), Copper Valley Telephone, Inc. (Docket No. T-02727A-13-
20 0458) and Valley Telephone Cooperative, Inc. (Docket No. T-01847A-13-0475).

21 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
22 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
23 hearing.

24 DATED this 15th day of January, 2014.

25
26 
27 JANE L. RODDA
28 ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered
this 15th day of January, 2014, to:

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